




Report to:	Pension Committee	Date:	5 September 2016
Report title:	Pension Fund Annual Report		
Report from:	Gerald Almeroth, Strategic Director – Resources		
Ward/Areas affected:	Borough Wide		
Chair of Committee:	Councillor Sunita Gordon		
Author(s)/Contact Number(s):	Lyndsey Gamble, Head of Financial Strategy and Planning, 0208 770 5358		
Corporate Plan Priorities:	A Smart Council		
Open/Exempt:	Open		
Signed:		Date:	24 August 2016

1. Summary

- 1.1 The attached Pension Fund Annual Report has been produced to keep pensioners and other interested stakeholders informed about the administration and performance of the London Borough of Sutton Pension Fund, and to comply with regulation 34 of the Local Government Pension Scheme (Administration) Regulations SI2008 No 239.

2. Recommendations

The Pension Committee is recommended to:

- 2.1 Approve the Pension Fund Annual report for 2015/16.
- 2.2 Agree that the Strategic Director Resources make final amendments to the report as required before publication.

3. Background

- 3.1 The requirement to produce a pension fund annual report was initially introduced under Regulation 34 of the LGPS (Administration) Regulations 2008. This sets out the broad content of the report and publication arrangements for the document.
- 3.2 The annual report is a major component of an LGPS fund's communication with scheme stakeholders and the wider public. Consequently, although not specifically required under Regulations, good practice dictates that the annual report be formally reviewed and signed off by the Pension Committee.
- 3.3 In March 2016 a report was considered by the Pension Committee outlining a number of suggested improvements to the structure and content of the annual report following a review by officers. In July 2016 a report was also considered by the Pension Board following a review of governance arrangements relating to the Fund. This review supported changes



recommended in the March report. Following agreement by committee, the recommended changes have been incorporated where possible into the 2015/16 report.

4. Changes to the Report

4.1 A number of improvements were suggested to both the structure and content of the report. These included the following:

- the report includes a section dedicated to risk management which includes a copy of the latest risk register for the fund;
- work is undertaken to look at the cashflows of the fund over the next three years in line with the triennial valuation and that this information is included within future versions of the report;
- include existing pensions administration PIs into the report and ascertain processes necessary to capture any information necessary for other key PIs;
- include planned asset allocations against actuals;
- restructure the report to include a section on administration management performance and the scheme administration report, and;
- include links to actuarial valuation documents.

4.2 The 2015/16 Annual Report has been restructured as required and all of the recommended changes have been addressed as part of the revised content. The financial performance element of section 2 now contains key financial information for the fund over the last three years. An exercise is now being undertaken as part of the triennial valuation to produce a budget for the next three years for pension contributions, benefits and other sums payable and fund management expenses. In future annual reports performance against these budgets will be reported. Work is also planned to look at the capability of the new pensions administration system to capture data required to report on a range of key performance indicators within the administrative management performance section.

4.3 The annual report includes the pension fund accounts for the financial year ended 31 March 2016. These accounts are currently in the process of being audited by our external auditors. The report recommends that Strategic Director Resources make final amendments as required to the report before final publication on the Council's website.

5. Impacts and Implications

Financial

5.1 The financial implications are addressed within the report.

Legal

5.2 There are no legal implications arising from this report.



6 Appendices and Background Documents

Appendix Letter	Title
A	2015/16 Pension Fund Annual Report
I	Pension Committee Functions
II	Pension Board Terms of Reference
III	Governance Compliance Statement
IV	Risk Register
V	Statement of Investment Principles
VI	Funding Strategy Statement
VII	Communications Policy

Background Documents
None

Audit Trail		
Version	Final	Date: 18 August 16
Consultation with other officers		
Officer	Comments Sought	Comments checked by
Finance	Yes	Lyndsey Gamble
Legal	N/A	N/A

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